

have this in common: We agree that the United States must continue to exert its leadership if there is to be hope in this world of taking advantage of the end of the cold war, great hunger of people all over the world for democracy and freedom and peace and prosperity.

In the days ahead I ask you all to be willing to provide counsel to our administration and bipartisan support to sustain the role that the United States must pursue in the world. In the face of difficulties and dangers and in the pursuit of a better world, we must lead.

One of our efforts begins tomorrow when all the Presidents and former Secretaries of State

who are here join me in the formal kickoff of our efforts to secure passage of the North American Free Trade Agreement. I know that will require great effort and bipartisanship, but I believe we will succeed because of the stakes for ourselves economically and politically in this hemisphere.

Tonight, however, let us for the moment rest on the laurels of the United States of America and toast peace and progress and the prosperity of the American people.

NOTE: The President spoke at 9:15 p.m. in the Blue Room at the White House.

Message to the Congress Transmitting the District of Columbia Budget and Supplemental Appropriations Request *September 13, 1993*

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the District of Columbia Government's fiscal year 1994 budget amendment request and fiscal year 1993 supplemental budget amendment request.

The District of Columbia Government has submitted a request to decrease its fiscal year 1994 general fund spending authority by \$36.968 million with a reduction of 832 FTE positions. In addition, the District's fiscal year 1993 sup-

plemental amendment request includes an increase of \$7.367 million in general fund spending authority. The amendments are needed to address a projected operating deficit for fiscal year 1993 and fiscal year 1994 that was not addressed in the District's original budget submission pending congressional action.

WILLIAM J. CLINTON

The White House,
September 13, 1993.

Remarks at the Signing Ceremony for the Supplemental Agreements to the North American Free Trade Agreement *September 14, 1993*

Thank you very much. Mr. Vice President, President Bush, President Carter, President Ford, ladies and gentlemen. I would like to acknowledge just a couple of other people who are in the audience because I think they deserve to be seen by America since you'll be seeing a lot more of them: my good friend Bill Daley from Chicago and former Congressman Bill Frenzel from Minnesota, who have agreed to lead this fight for our administration on a bipartisan basis. Would you please stand and be recognized.

It's an honor for me today to be joined by my predecessor, President Bush, who took the major steps in negotiating this North American Free Trade Agreement; President Jimmy Carter, whose vision of hemispheric development gives great energy to our efforts and has been a consistent theme of his for many, many years now; and President Ford, who has argued as fiercely for expanded trade and for this agreement as any American citizen and whose counsel I con-

tinue to value. These men, differing in party and outlook, join us today because we all recognize the important stakes for our Nation in this issue.

Yesterday we saw the sight of an old world dying, a new one being born in hope and a spirit of peace. Peoples who for a decade were caught in the cycle of war and frustration chose hope over fear and took a great risk to make the future better.

Today we turn to face the challenge of our own hemisphere, our own country, our own economic fortunes. In a few moments, I will sign three agreements that will complete our negotiations with Mexico and Canada to create a North American Free Trade Agreement. In the coming months I will submit this pact to Congress for approval. It will be a hard fight, and I expect to be there with all of you every step of the way. We will make our case as hard and as well as we can. And though the fight will be difficult, I deeply believe we will win. And I'd like to tell you why. First of all, because NAFTA means jobs, American jobs and good-paying American jobs. If I didn't believe that, I wouldn't support this agreement.

As President, it is my duty to speak frankly to the American people about the world in which we now live. Fifty years ago at the end of World War II, an unchallenged America was protected by the oceans and by our technological superiority and, very frankly, by the economic devastation of the people who could otherwise have been our competitors. We chose then to try to help rebuild our former enemies and to create a world of free trade supported by institutions which would facilitate it. As a result of that effort, global trade grew from \$200 billion in 1950 to \$800 billion in 1980. As a result, jobs were created and opportunity thrived all across the world. But make no mistake about it, our decision at the end of World War II to create a system of global, expanded, freer trade, and the supporting institutions, played a major role in creating the prosperity of the American middle class.

Ours is now an era in which commerce is global and in which money, management, technology are highly mobile. For the last 20 years, in all the wealthy countries of the world, because of changes in the global environment, because of the growth of technology, because of increasing competition, the middle class that was created and enlarged by the wise policies of

expanding trade at the end of World War II has been under severe stress. Most Americans are working harder for less. They are vulnerable to the fear tactics and the averseness to change that is behind much of the opposition to NAFTA.

But I want to say to my fellow Americans, when you live in a time of change the only way to recover your security and to broaden your horizons is to adapt to the change, to embrace it, to move forward. Nothing we do, nothing we do in this great capital can change the fact that factories or information can flash across the world, that people can move money around in the blink of an eye. Nothing can change the fact that technology can be adopted, once created, by people all across the world and then rapidly adapted in new and different ways by people who have a little different take on the way the technology works. For two decades, the winds of global competition have made these things clear to any American with eyes to see. The only way we can recover the fortunes of the middle class in this country so that people who work harder and smarter can at least prosper more, the only way we can pass on the American dream of the last 40 years to our children and their children for the next 40 is to adapt to the changes which are occurring.

In a fundamental sense, this debate about NAFTA is a debate about whether we will embrace these changes and create the jobs of tomorrow, or try to resist these changes, hoping we can preserve the economic structures of yesterday. I tell you, my fellow Americans, that if we learned anything from the collapse of the Berlin Wall and the fall of the governments in Eastern Europe, even a totally controlled society cannot resist the winds of change that economics and technology and information flow have imposed in this world of ours. That is not an option. Our only realistic option is to embrace these changes and create the jobs of tomorrow.

I believe that NAFTA will create 200,000 American jobs in the first 2 years of its effect. I believe if you look at the trends—and President Bush and I were talking about it this morning—starting about the time he was elected President, over one-third of our economic growth and in some years over one-half of our net new jobs came directly from exports. And on average, those exports-related jobs paid much higher than jobs that had no connection to ex-

ports. I believe that NAFTA will create a million jobs in the first 5 years of its impact. And I believe that that is many more jobs than will be lost, as inevitably some will be, as always happens when you open up the mix to a new range of competition.

NAFTA will generate these jobs by fostering an export boom to Mexico, by tearing down tariff walls which have been lowered quite a bit by the present administration of President Salinas but are still higher than Americas'. Already Mexican consumers buy more per capita from the United States than other consumers in other nations. Most Americans don't know this, but the average Mexican citizen, even though wages are much lower in Mexico, the average Mexican citizen is now spending \$450 per year per person to buy American goods. That is more than the average Japanese, the average German, or the average Canadian buys; more than the average German, Swiss, and Italian citizens put together.

So when people say that this trade agreement is just about how to move jobs to Mexico so nobody can make a living, how do they explain the fact that Mexicans keep buying more products made in America every year? Go out and tell the American people that. Mexican citizens with lower incomes spend more money—real dollars, not percentage of their income—more money on American products than Germans, Japanese, Canadians. That is a fact. And there will be more if they have more money to spend. That is what expanding trade is all about.

In 1987, Mexico exported \$5.7 billion more of products to the United States than they purchased from us. We had a trade deficit. Because of the free market, tariff-lowering policies of the Salinas government in Mexico, and because our people are becoming more export-oriented, that \$5.7 billion trade deficit has been turned into a \$5.4 billion trade surplus for the United States. It has created hundreds of thousands of jobs.

Even when you subtract the jobs that have moved into the *maquilladora* areas, America is a net job winner in what has happened in trade in the last 6 years. When Mexico boosts its consumption of petroleum products in Louisiana—where we're going tomorrow to talk about NAFTA—as it did by about 200 percent in that period, Louisiana refinery workers gained job security. When Mexico purchased industrial machinery and computer equipment made in

Illinois, that means more jobs. And guess what? In this same period, Mexico increased those purchases out of Illinois by 300 percent.

Forty-eight out of the 50 States have boosted exports to Mexico since 1987. That's one reason why 41 of our Nation's 50 Governors—some of them who are here today, and I thank them for their presence—support this trade pact. I can tell you, if you're a Governor, people won't leave you in office unless they think you get up every day trying to create more jobs. They think that's what your job is if you're a Governor. And the people who have the job of creating jobs for their State and working with their business community, working with their labor community, 41 out of the 50 have already embraced the NAFTA pact.

Many Americans are still worried that this agreement will move jobs south of the border because they've seen jobs move south of the border and because they know that there are still great differences in the wage rates. There have been 19 serious economic studies of NAFTA by liberals and conservatives alike; 18 of them have concluded that there will be no job loss. Businesses do not choose to locate based solely on wages. If they did, Haiti and Bangladesh would have the largest number of manufacturing jobs in the world. Businesses do choose to locate based on the skills and productivity of the work force, the attitude of the government, the roads and railroads to deliver products, the availability of a market close enough to make the transportation costs meaningful, the communications networks necessary to support the enterprise. That is our strength, and it will continue to be our strength. As it becomes Mexico's strength and they generate more jobs, they will have higher incomes, and they will buy more American products.

We can win this. This is not a time for defeatism. It is a time to look at an opportunity that is enormous. Moreover, there are specific provisions in this agreement that remove some of the current incentives for people to move their jobs just across our border. For example, today Mexican law requires United States automakers who want to sell cars to Mexicans to build them in Mexico. This year we will export only 1,000 cars to Mexico. Under NAFTA, the Big Three automakers expect to ship 60,000 cars to Mexico in the first year alone, and that is one reason why one of the automakers recently announced moving 1,000 jobs from Mexico back to Michi-

gan.

In a few moments, I will sign side agreements to NAFTA that will make it harder than it is today for businesses to relocate solely because of very low wages or lax environmental rules. These side agreements will make a difference. The environmental agreement will, for the first time ever, apply trade sanctions against any of the countries that fails to enforce its own environmental laws. I might say to those who say that's a giving up of our sovereignty: For people who have been asking us to ask that of Mexico, how do we have the right to ask that of Mexico if we don't demand it of ourselves? It's nothing but fair.

This is the first time that there have ever been trade sanctions in the environmental law area. This ground-breaking agreement is one of the reasons why major environmental groups, ranging from the Audubon Society to the Natural Resources Defense Council, are supporting NAFTA.

The second agreement ensures that Mexico enforces its laws in areas that include worker health and safety, child labor, and the minimum wage. And I might say, this is the first time in the history of world trade agreements when any nation has ever been willing to tie its minimum wage to the growth in its own economy. What does that mean? It means that there will be an even more rapid closing of the gap between our two wage rates. And as the benefits of economic growth are spread in Mexico to working people, what will happen? They'll have more disposable income to buy more American products, and there will be less illegal immigration because more Mexicans will be able to support their children by staying home. This is a very important thing.

The third agreement answers one of the primary attacks on NAFTA that I heard for a year, which is, "Well, you can say all this, but something might happen that you can't foresee." Well, that's a good thing, otherwise we never would have had yesterday. I mean, I plead guilty to that. Something might happen that Carla Hills didn't foresee, or George Bush didn't foresee, or Mickey Kantor or Bill Clinton didn't foresee. That's true. Now, the third agreement protects our industries against unforeseen surges in exports from either one of our trading partners. And the flip side is also true. Economic change, as I said before, has often been cruel to the middle class, but we have to make change their friend. NAFTA will help to do that.

This imposes also a new obligation on our Government, and I'm glad to see so many Members of Congress from both parties here today. We do have some obligations here. We have to make sure that our workers are the best prepared, the best trained in the world.

Without regard to NAFTA, we know now that the average 18-year-old American will change jobs eight times in a lifetime. The Secretary of Labor has told us, without regard to NAFTA, that over the last 10 years, for the first time, when people lose their jobs most of them do not go back to their old job; they go back to a different job. So that we no longer need an unemployment system, we need a reemployment system. And we have to create that. And that's our job. We have to tell American workers who will be dislocated because of this agreement, or because of things that will happen regardless of this agreement, that we are going to have a reemployment program for training in America. And we intend to do that.

Together, the efforts of two administrations now have created a trade agreement that moves beyond the traditional notions of free trade, seeking to ensure trade that pulls everybody up instead of dragging some down while others go up. We have put the environment at the center of this in future agreements. We have sought to avoid a debilitating contest for business where countries seek to lure them only by slashing wages or despoiling the environment.

This agreement will create jobs, thanks to trade with our neighbors. That's reason enough to support it. But I must close with a couple of other points. NAFTA is essential to our long-term ability to compete with Asia and Europe. Across the globe our competitors are consolidating, creating huge trading blocs. This pact will create a free trade zone stretching from the Arctic to the tropics, the largest in the world, a \$6.5 billion market with 370 million people. It will help our businesses to be both more efficient and to better compete with our rivals in other parts of the world.

This is also essential to our leadership in this hemisphere and the world. Having won the cold war, we face the more subtle challenge of consolidating the victory of democracy and opportunity and freedom. For decades, we have preached and preached and preached greater democracy, greater respect for human rights, and more open markets to Latin America.

NAFTA finally offers them the opportunity to reap the benefits of this. Secretary Shalala represented me recently at the installation of the President of Paraguay. And she talked to Presidents from Colombia, from Chile, from Venezuela, from Uruguay, from Argentina, from Brazil. They all wanted to know, "Tell me, is NAFTA going to pass so we can become part of this great new market—more, hundreds of millions more of American consumers for our products."

It's no secret that there is division within both the Democratic and Republican Parties on this issue. That often happens in a time of great change. I just want to say something about this because it's very important. Are you guys resting? I'm going to sit down when you talk, so I'm glad you got to do it. *[Laughter]* I am very grateful to the Presidents for coming here, because there is division in the Democratic Party and there is division in the Republican Party. That's because this fight is not a traditional fight between Democrats and Republicans and liberals and conservatives. It is right at the center of the effort that we're making in America to define what the future is going to be about.

And so there are differences. But if you strip away the differences, it is clear that most of the people that oppose this pact are rooted in the fears and insecurities that are legitimately gripping the great American middle class. It is no use to deny that these fears and insecurities exist. It is no use denying that many of our people have lost in the battle for change. But it is a great mistake to think that NAFTA will make it worse. Every single solitary thing you hear people talk about, that they're worried about, can happen whether this trade agreement passes or not, and most of them will be made worse if it fails. And I can tell you it will be better if it passes.

So I say this to you: Are we going to compete and win, or are we going to withdraw? Are we going to face the future with confidence that we can create tomorrow's jobs, or are we going to try against all the evidence of the last 20 years to hold on to yesterday's? Are we going to take the plain evidence of the good faith of Mexico in opening their own markets and buying more of our products and creating more of our jobs, or are we going to give in to the fears of the worst-case scenario? Are we going to pretend that we don't have the first trade agreement in history dealing seriously with labor

standards, environmental standards, and cleverly and clearly taking account of unforeseen consequences, or are we going to say this is the best you can do and then some?

In an imperfect world, we have something which will enable us to go forward together and to create a future that is worthy of our children and grandchildren, worthy of the legacy of America, and consistent with what we did at the end of World War II. We have to do that again. We have to create a new world economy. And if we don't do it, we cannot then point the finger at Europe and Japan or anybody else and say, "Why don't you pass the GATT agreement; why don't you help to create a world economy?" If we walk away from this, we have no right to say to other countries in the world, "You're not fulfilling your world leadership; you're not being fair with us." This is our opportunity to provide an impetus to freedom and democracy in Latin America and create new jobs for America as well. It's a good deal, and we ought to take it.

Thank you.

[At this point, the President signed the NAFTA supplemental agreements.]

I'd like to ask now each of the Presidents in their turn to come forward and make a statement, beginning with President Bush and going to President Carter and President Ford. And I will play musical chairs with their seats. *[Laughter]*

[At this point, President Bush, President Carter, and President Ford made remarks in support of NAFTA.]

I wanted you to welcome Mrs. Carter. *[Applause]* Let me again express my profound thanks on behalf of all of us to President Bush, President Carter, and President Ford and close the meeting by invoking a phrase made famous last year by Vice President Gore: "It's time for us to go."

Thank you very much.

NOTE: The President spoke at 10:39 a.m. in the East Room at the White House. In his remarks, he referred to William M. Daley, NAFTA Task Force Chairman, and Bill Frenzel, Special Adviser to the President for NAFTA. The President was introduced by the Vice President.

On September 14, Press Secretary Dee Dee Myers issued the following statement:

Due to a staff error, the President incorrectly stated that NAFTA would create 1 million new jobs over 5 years.

The NAFTA will create 200,000 new export-related jobs in the first 2 years after it is passed.

By 1995, 900,000 U.S. jobs will be dependent on exports to Mexico. NAFTA will help secure those jobs, and trade with Mexico will help create even more jobs in future years.

Remarks and an Exchange With Reporters Prior to Discussions With Prime Minister Paul Keating of Australia

September 14, 1993

The President. Good morning. First, I want to welcome Prime Minister Keating here and his colleagues from Australia. We're looking forward to having a very good discussion, and we'll have some comments later, as you know.

I also want to applaud the announcement today of the common agenda established between Jordan and Israel, as well as the historic stop that Prime Minister Rabin and Foreign Minister Peres have made in Morocco, seeing King Hassan. I applaud King Hassan, and I hope that other Arab leaders will follow that example. And we will continue now rapidly to break down the barriers between Israel and other nations. And I'm looking forward to beginning work immediately on the United States part of implementing this agreement.

NAFTA

Q. Do you agree, sir, with President Carter and President Bush in their characterization of Ross Perot as a demagog?

The President. I'm going to try to pass NAFTA. And they're perfectly capable of speaking for themselves. I don't agree with Mr. Perot on this, and some of the assertions are not accurate that he has made. But, you know, I'm going to be out here. My job is to try to pass this. And I don't want to overly personalize it. I'm just trying to pass it. I think it's good for America; it's good for jobs.

Q. Are you going to work as hard for health care as you are for NAFTA, or vice versa?

The President. I'm going to try to pass them both. I'm going to try—you know, I work at

everything I do. I just get up in the morning and go to work. I think that's what I got hired to do.

[At this point, one group of reporters left the room, and another group entered.]

The President. As you know, we're going to have a joint statement afterward, and we'll answer your questions then. But I do want to welcome the Prime Minister and his colleagues here. I want to say to all of you how very important the relationship that the United States has with Australia is to me and to our administration. And I look forward to discussing a whole wide range of things, especially the upcoming APEC conference in Washington State in November. And I want to thank the Prime Minister publicly for his leadership in helping to put that together and helping to bring the leaders of the other countries there. We'll have more to say about it later, but I'm anxious to get on with the meeting.

Q. Will you get a chance to visit sometime, perhaps for the Olympics in Sydney?

The President. Why, I hope so. I've always wanted to come. I had one other chance to go to Australia, and I had to turn it down because of when I was a Governor. And I've been jealous of every friend of mine who ever went there. So I sure hope I can come.

NOTE: The President spoke at 12:48 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.